

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 6894

Petition of Corinne Wiseman v. Central Vermont	)	Hearing at
Public Service Corporation in re: dispute	)	St. Albans, Vermont
concerning budget plan payment arrangements	)	November 4, 2003

Order entered: 7/21/2004

PRESENT: Judith M. Kasper, Esq., Hearing Officer

APPEARANCES: Corinne Wiseman  
Pro Se

Helen M. Fitzpatrick, Esq.  
for Central Vermont Public Service Corporation

June Tierney, Esq.  
for Vermont Department of Public Service

**I. INTRODUCTION**

This docket concerns a consumer complaint filed by Corinne Wiseman against Central Vermont Public Service Corporation ("CVPS" or "Company") on July 29, 2003. Ms. Wiseman alleged that CVPS had taken from her checking account more funds than she had authorized for payment of her CVPS utility bill. She further alleged that CVPS' action caused an overdraft on her checking account for which she was charged the sum of \$15 by her bank and the sum of \$8 by CVPS. Ms. Wiseman seeks reimbursement for these charges (a total of \$23).

A prehearing conference and a technical hearing were held on November 4, 2003, at the Council Room of St. Albans City Hall, 100 North Main Street, St. Albans, Vermont. In attendance were Corinne Wiseman, pro se, Helen M. Fitzpatrick, Esq., representing CVPS, and June Tierney, Esq., representing the Vermont Department of Public Service ("Department").

On December 4, 2003, CVPS and the Department filed a Memorandum of Understanding ("MOU") that resolves all issues in this docket, and includes an agreement that CVPS will reimburse Ms. Wiseman in full for all sums she requested in her petition.<sup>1</sup>

Pursuant to 30 V.S.A. § 8, and based on the record and evidence before me, I present the following findings of fact and conclusions of law to the Board.

## **II. FINDINGS**

1. Prior to November 2001, Corinne Wiseman entered into a repayment plan with CVPS for installment payments of a past due balance ("budget billing") that she had with the Company. Tr. 11/4/03 at 10; exh. Pet 1.

2. As part of her arrangement for payment of her past due bill and current bills, Ms. Wiseman entered into a monthly payment plan with CVPS whereby she was to pay CVPS the sum of \$120 per month. Tr. 11/4/03 at 10-11; exh. Pet. 1.

3. Also, in connection with her monthly payments to CVPS, Ms. Wiseman established an "Electripay" account with CVPS, whereby CVPS was authorized to withdraw automatically from Ms. Wiseman's checking account the sum of \$120 on a monthly basis. Exh. Pet. 1.

4. From the time that Ms. Wiseman established this monthly payment plan and an "Electripay" account with CVPS, through the beginning of July 2002, CVPS withdrew \$120 from Ms. Wiseman's checking account monthly. Exh. Pet. 2; exh. Pet 1.

5. On or about July 2, 2002, CVPS withdrew the sum of \$459.11 from Ms. Wiseman's account. Exh. Pet 2.

6. As a consequence of this withdrawal by CVPS, Ms. Wiseman's checking account became overdrawn, for which she was charged the sum of \$15 by her bank and the sum of \$8 by CVPS (a total of \$23). Exh. Pet. 1.

7. On December 4, 2003, the Department and CVPS filed a Memorandum of Understanding ("MOU") with the Board.

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1. MOU, p. 2.

8. The MOU represents that the Department and CVPS were able to negotiate an agreement that makes Ms. Wiseman whole, and that resolves public policy objections raised by the Department during the course of this docket. MOU, p. 2.

9. The MOU provides that CVPS shall reimburse Ms. Wiseman in full for all sums she requested in her petition. MOU, p. 2.<sup>2</sup>

10. The MOU establishes a procedure for the Department to review and approve the text of the letter to be sent by CVPS to budget billing customers, including budget billing customers who also are Electripay customers, at the time that such customers owe a balance in need of reconciliation. MOU, pp. 2-3.

11. The MOU also provides: "Any Budget Billing consumer, who is also on Electripay and who is billed conciliation amount of \$50 or more, shall have the right within 50 days of the billing date to request that the reconciliation amount be rolled into the following year's budget plan. If the reconciliation amount has already been removed from the customer's bank account, the reconciliation amount shall be refunded to the customer and the balance shall be rolled into the following year's Budget Billing amount." MOU, p. 3.

### **III. DISCUSSION**

This customer complaint concerns the manner in which CVPS administered its Electripay budget billing account with Ms. Wiseman. Public Service Board Rule 3.302(D) authorizes electric utility companies to enter into budget billing payment plans with their customers. The rule specifically provides that: (1) a customer's monthly budget billing plan payment may not exceed one-twelfth of his or her annual estimated bill; (2) budget billing plan accounts must be reconciled annually; and (3) at the customer's option, a budget billing plan deficit (as determined at the time of annual reconciliation), may be paid in twelve equal monthly installments during the ensuing 12 months.

In this case, CVPS and Ms. Wiseman entered into a budget billing payment plan, under which it was agreed that Ms. Wiseman would pay CVPS the sum of \$120 (One Hundred Twenty

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2. Ms Wiseman has requested reimbursement in the amount of \$23.00 (Twenty-three dollars) for bank fees and electric company charges incurred due to an overdraft of her bank account. Exh. Pet. 1.

Dollars) per month. In addition, Ms. Wiseman authorized CVPS to withdraw \$120 from her checking account automatically, on a monthly basis, as each \$120 budget billing payment became due (the "Electripay" agreement).

This arrangement seemed to work well, until it came time for the annual reconciliation of Ms. Wiseman's budget billing plan account. At that time, CVPS determined that Ms. Wiseman had an actual balance of \$459.11 (Four Hundred Fifty-Nine Dollars and Eleven Cents), and CVPS withdrew *that* amount, rather than the \$120 budget amount, from Ms. Wiseman's account. Ms. Wiseman did not have sufficient funds to cover the \$459.11 withdrawn by CVPS; consequently, her bank charged her an overdraft fee of \$15, and CVPS charged her an \$8 "NSF" fee. In this proceeding, Ms. Wiseman seeks reimbursement of those fees from CVPS.<sup>3</sup>

At the technical hearing, two distinct issues were identified. First, whether CVPS' authorization under Ms. Wiseman's Electripay account was limited to monthly withdrawals of \$120, notwithstanding the actual balance due on Ms. Wiseman's CVPS account; and second, whether CVPS had provided Ms. Wiseman with adequate notice concerning her right to have the \$459.11 "deficit" rolled into equal payments over the ensuing twelve months.

At the technical hearing, there was extensive discussion about the manner in which CVPS provided notice to its customers about budget billing plans, and the option for customers to pay any balance due at the time of annual reconciliation over the ensuing 12 months. The Department expressed concern about the manner in which CVPS handled reconciliation amounts with respect to Electripay deductions, and with respect to notice provided to customers about their right to have reconciliation amounts rolled into their ensuing twelve months' bills. The Department expressed specific concern about the language and format of the customer bills rendered to Ms. Wiseman.<sup>4</sup>

The MOU between CVPS and the Department filed in this docket, addresses all of the concerns raised by the Department in this docket, and includes an agreement that CVPS will

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3. Ms. Wiseman has not requested that CVPS return the sum of \$459 to her checking account.

4. Prior to her June 2003 electric bill, Ms. Wiseman's bills had always referred to a \$120 "even monthly payment amount" and an "Even Monthly Plan." By contrast, Ms. Wiseman's June 2003 bill contained a "Note to customers on the budget plan." Exh. Pet. 2.

reimburse Ms. Wiseman in full for all sums she requested in her petition (i.e., the \$23 reimbursement).<sup>5</sup> The Memorandum of Understanding includes provisions that give the Department oversight over the manner in which CVPS will notify customers about annual reconciliations of budget billing accounts. The MOU also provides a method for prompt refund to a customer's bank account for reconciliation amounts withdrawn by CVPS from the customer's bank account pursuant to "Electripay" agreements where that customer elects to pay off the reconciliation amounts over the ensuing 12 months. I find this resolution to be reasonable. Accordingly, I recommend that the Board approve the MOU.

This Proposal for Decision is not adverse to any party, and therefore, in accordance with the provisions of 3 V.S.A. § 811, it has not been served on the parties to this proceeding.

#### **IV. CONCLUSION**

For the reasons set forth above, I recommend that the Board approve the MOU between CVPS and the Department that has been filed in this docket.

Dated at Montpelier, Vermont, this 21<sup>st</sup> day of July, 2004.

s/Judith M. Kasper

Judith M. Kasper, Esq.  
Hearing Officer

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5. MOU at p. 2.

**V. ORDER**

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The findings, conclusions and recommendations of the Hearing Officer are adopted.
2. The Memorandum of Understanding between Central Vermont Public Service Corporation and the Vermont Department of Public Service filed in this docket is approved.
3. This docket shall be closed.

Dated at Montpelier, Vermont, this 21<sup>st</sup> day of July, 2004.

<u>s/Michael H. Dworkin</u>	)	
	)	PUBLIC SERVICE
	)	
<u>s/David C. Coen</u>	)	BOARD
	)	
	)	OF VERMONT
<u>s/John D. Burke</u>	)	

OFFICE OF THE CLERK

FILED: July 21, 2004

ATTEST: s/Susan M. Hudson  
Clerk of the Board

*NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: Clerk@psb.state.vt.us)*

*Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.*